

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4248-05
Bill No.: HCS for SB 615
Subject: Courts; Judges; Civil Procedure; Crimes and Punishment; Criminal Procedure;
Fees
Type: Original
Date: April 23, 2014

Bill Summary: This proposal changes the laws relating to court costs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
PACARS	\$434,025	\$520,830	\$520,830
Total Estimated Net Effect on <u>Other</u> State Funds	\$434,025	\$520,830	\$520,830

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	Unknown greater than \$886,135	Unknown greater than \$877,476	Unknown greater than \$877,476

FISCAL ANALYSIS

ASSUMPTION

§49.272 Buchanan County

This part of the proposal allows the County Commission in Buchanan County to impose by rules, regulations or ordinance a civil fine of up to \$1,000 for each violation of any county rule, regulation or ordinance. **Oversight** assumes the County Commission, if they adopted the provisions of this section, would realize income from the civil fines and would have cost from enforcement of the rules, regulation, or ordinances. For purposes of this fiscal note, Oversight assumes fiscal impact would be \$0. Oversight assumes income would cover the cost of enforcement and administration.

§56.807 and §488.026 PACARS Surcharge

In response to similar legislation filed this year, HB 1231, officials from the **Office of the State Courts Administrator** state that the above sections of the proposal would allow a \$4 surcharge for the PACARS Fund to be assessed and against persons who pled and paid a fine through the fine collection center.

Based on data for the past five years, FY 09 through FY 13, we assume that the average is approximately 130,207 fine collection center cases on which this \$4 surcharge could be applied. We anticipate the revenue from the surcharge would be approximately \$520,830 in any given year.

FY 09	120,507
FY 10	120,443
FY 11	127,663
FY 12	144,130
<u>FY 13</u>	<u>138,325</u>
Total	651,038
Average	130,207

ASSUMPTION (continued)

Oversight assumes this proposal will modify the county contribution to PACARS. The legislation proposes a variable county contribution tied to the PACARS funded ratio:

Funded Ratio	County Contribution
120% and higher	No monthly sum transmitted
Greater than 110% to less than 120%	Monthly sum reduced by 50%
90% to 110%	Standard monthly sum transmitted
80% to less than 90%	Monthly sum increased by 50%
Less than 80%	Monthly sum increased by 100%

The PACARS actuarial value, as of July 1, 2012, which is most recent, was 86%. According to the proposal, the counties will each have an increased contribution of 50%.

According to Section 56.807, RSMo, the current monthly county contributions are as follows:

1st Class: \$646
2nd Class: \$271
3rd Class: \$187
4th Class: \$187

Oversight assumes based on current actuarial value this would change their contributions to:

1st Class: \$969	Increase of: \$323
2nd Class: \$407	Increase of: \$136
3rd Class: \$281	Increase of: \$94
4th Class: \$281	Increase of: \$94

Oversight assumes that the increased cost to counties would create a negative fiscal impact on local governments. There are 17 first class counties, 4 second class counties, 89 third class counties, and 4 fourth class counties in Missouri. The increased cost to local governments would be (\$14,777) per month or (\$177,324) annually, if the funded ratio remains between 80% and 90%.

ASSUMPTION (continued)

§§476.056, 476.385, 488.014 Automation of Municipal Court Records

Officials at the **Office of the State Courts Administrator (CTS)** assume the proposed legislation modifies provisions of law relating to court costs. There may be some, unquantifiable at this time, impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials at the **Office of the State Public Defender, Office of the State Treasurer and Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Columbia** assume with the municipal court's ability to retain minimal overpayments instead of directing them to the county, there appears to be some potential to gain limited revenues for local use.

Oversight assumes this amount to be gained for local use by the City to be a minimal amount and therefore will show a no fiscal impact for this proposal.

Officials at the **City of O'Fallon, Cole County, St. Louis County, the St. Louis County Directors of Elections, the City of Jefferson, and the City of Kansas City** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

§488.426 Franklin County Court Fees

In response to similar legislation filed this year, HB 1238, officials at the **Office of the State Courts Administrator** assumed no fiscal impact from this proposal. In Franklin County there is currently \$10 assessed on the standard Law Library surcharge of \$25 for all civil filings except adoptions and small claims. There are 4,179 cases per year that were subject to the \$25 fee. Total collections on those cases were \$104,475. The fee would make up to forty percent of that total or \$41,790.

Officials at Franklin County failed to respond to **Oversight's** request for fiscal impact.

§488.607 Domestic Violence Court Fees

In response to similar legislation filed this year, SB 636, officials at the **Office of the State Courts Administrator (CTS)** assume the proposed legislation would increase the \$2 surcharge for criminal cases in cities or counties with domestic violence shelters to \$4. Based on FY 2012 data, there are approximately 416,666 filed civil cases. Since there is a certain number of cases where the fines will not be collected, CTS anticipates the increase in the surcharge would be approximately \$626,000 in any given year.

In response to similar legislation filed this year, SB 636, officials at the **City of Kansas City** assume based on the current citation volume for their city, they estimate to collect \$404,800 annually if the legislation passed. The City currently collects \$202,400 annually.

Officials at **St. Louis County** assume the proposed SB 636, if enacted, would permit an increase in annual revenue from the surcharge for criminal cases from \$416,577 (projected 2014) to \$833,150.

In response to similar legislation filed this year, SB 636, officials at the **City of O'Fallon** assume an unknown positive fiscal impact.

In response to similar legislation filed this year, SB 636, officials at the **Department of Social Services** assume no direct fiscal impact from this proposal.

In response to similar legislation filed this year, SB 636, officials at the **Boone County Collector, Cole County, the City of Columbia, the City of Jefferson, the Platte County Board of Election Commission** and the **St. Louis County Board of Election Commission** each assume no direct fiscal impact to their respective organizations from this proposal.

ASSUMPTION (continued)

Oversight assumes the number represented in the local political subdivisions is an increase from a \$2 surcharge up to \$4. Oversight did not receive enough fiscal impact responses from political subdivisions to make a determination whether political subdivisions would experience increased costs from this proposal. Therefore, Oversight will reflect a Unknown greater than \$626,000 impact in the fiscal note.

§488.2206 Thirty-First Judicial Circuit Surcharge

Officials at the **Office of the State Courts Administrator** assume the proposed legislation provides that a surcharge may be collected in criminal proceedings filed in the Thirty-First Judicial Circuit. During the past five years (2009 to 2013) there was an average of 7,750 cases with guilty outcomes for all criminal cases including violations of any county or municipal ordinance or any violation of a criminal or traffic law. In addition, the Fine Collection Center (FCC) has received a five year average of 3,425 violations disposed by guilty plea. Based on the surcharge of up to \$10 and an average collection rate of 80%, the projected annual increase would be \$89,400. We currently have no way to determine how many guilty outcomes or paid guilty outcomes would occur. The surcharge increase would be an increase of \$89,400 to unknown.

Officials at Greene County did not respond to **Oversight's** request for fiscal impact.

§488.2240 - Springfield \$10 Fee for Municipal Ordinance Violations

In response to similar legislation (HB 1825), officials at the **Office of the State Courts Administrator** assume the proposed legislation allows Springfield to charge an additional \$10 fee for each municipal ordinance violation case to pay for courthouse upkeep. During FY 2013, there were 29,761 municipal ordinance violations (731 alcohol/drug, 21,857 other traffic and 7,173 non-traffic) that may be eligible. Based on the \$10 court cost for each violation, the projected annual increase would be \$297,610 to unknown.

Officials at the City of Springfield and Greene County did not respond to **Oversight's** request for fiscal impact.

Bill as a Whole

Officials at the **Department of Revenue**, the **Office of Prosecution Services**, the **Office of the State Public Defender** and the **State Tax Commission** assume this proposal would not fiscally impact their organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
PACARS FUND			
<u>Revenue</u> - \$4 Fine Collection Center Surcharge §§56.807 and 488.026	<u>\$434,025</u>	<u>\$520,830</u>	<u>\$520,830</u>
ESTIMATED NET EFFECT ON PACARS FUND	<u>\$434,025</u>	<u>\$520,830</u>	<u>\$520,830</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - Counties - Increased PACARS contribution §§56.807 & 488.026	(\$147,770)	(\$177,324)	(\$177,324)
<u>Revenue</u> - Franklin County - civil filing fees §488.426	\$20,895	\$41,790	\$41,790
<u>Revenue</u> - Local Political Subdivisions - increase surcharge on criminal cases from \$2 up to \$4 §488.607	Unknown greater than \$626,000	Unknown greater than \$626,000	Unknown greater than \$626,000
<u>Revenue</u> - Local Political Subdivisions - from court surcharges §488.2206	Could exceed \$89,400	Could exceed \$89,400	Could exceed \$89,400
<u>Revenue</u> - City of Springfield - additional court fees §488.2240	Unknown greater than <u>\$297,610</u>	Unknown greater than <u>\$297,610</u>	Unknown greater than <u>\$297,610</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown greater than <u>\$886,135</u>	Unknown greater than <u>\$877,476</u>	Unknown greater than <u>\$877,476</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§56.807 and §488.026 - Currently, each county treasurer must transfer a specified sum of money each month to the Prosecuting Attorneys and Circuit Attorneys' Retirement System Fund for use by the fund. Beginning August 28, 2014, the bill requires that the county contribution be adjusted in accordance with the following schedule based on the retirement system's annual actuarial valuation report:

- (1) If the system's funding ratio is 120% or more, no monthly sum must be transmitted;
- (2) If the system's funding ratio is more than 110% but less than 120%, the monthly sum transmitted must be reduced 50%;
- (3) If the system's funding ratio is at least 90% and up to 110%, the monthly sum transmitted must remain the same;
- (4) If the system's funding ratio is at least 80% and less than 90%, the monthly sum transmitted must be increased 50%; and
- (5) If the system's funding ratio is less than 80%, the monthly sum transmitted must be increased 100%.

Currently, a surcharge of \$4 is assessed and collected in all criminal cases filed in court, including any violation of a county ordinance or any violation of the state's criminal or traffic laws, including infractions. The bill adds any person who pleads guilty and pays a fine through a fine collection center to the list of those who are to be assessed the surcharge. In addition, the bill allows prosecuting attorneys, in all counties that elect to make the position of prosecuting attorney a full-time position, to participate in the retirement system for prosecuting and circuit attorneys. The prosecutor is eligible for the same benefits as a full-time prosecutor in a county of the first classification.

§488.426 - Currently, Franklin County may impose an additional court fee of \$10, excluding cases concerning adoption and those in small claims court. This bill extends the expiration date of this section from December 31, 2014, to December 31, 2019.

§488.607 - Currently, cities or counties with domestic violence shelters can add a surcharge of two dollars for criminal cases. This act states that a surcharge of up to four dollars may be collected for each criminal case in cities or counties with domestic violence shelters.

§488.2206 - This act provides that a surcharge of up to ten dollars may be collected in all

FISCAL DESCRIPTION (continued)

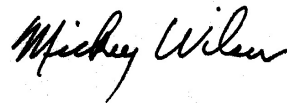
criminal proceedings filed in the Thirty-First Judicial Circuit if the surcharge was authorized by a county or municipal order, ordinance, or resolution. The moneys collected from the surcharge must be use for the costs associated with the construction, maintenance and operation of any county or municipal judicial facility.

§488.2240 - This bill allows the City of Springfield to impose an additional court cost of up to \$10 for each municipal ordinance violation case filed before a municipal division judge or associate circuit judge. The city can only use the additional costs for land assemblage and purchase, construction, maintenance, and upkeep of a municipal courthouse.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

City of O'Fallon
Office of the State Courts Administrator
Office of the State Treasurer
Office of the State Public Defenders
St. Louis Directors of Elections
Department of Revenue
City of Columbia
City of Kansas City
Cole County
St. Louis County
City of Jefferson
State Tax Commission



Mickey Wilson, CPA
Director
April 23, 2014

Ross Strobe
Assistant Director
April 23, 2014